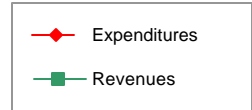


# District of Columbia Financial Plan Scenarios

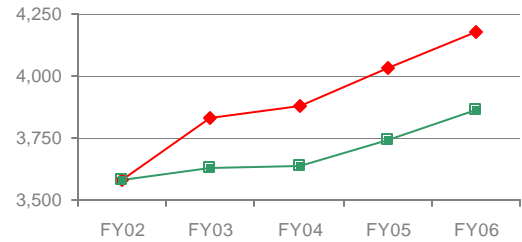
(Local Funds, \$ in Millions, Budgetary Basis)

Description FY02 FY03 FY04 FY05 FY06



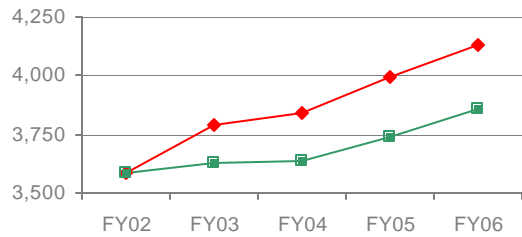
## Scenario A: Baseline with structural cost increases of \$172m

Baseline Revenues	3,581	3,629	3,635	3,741	3,859
Expenditures (Structural Increase	3,581	3,831	3,883	4,033	4,175
Margin A	0	(202)	(248)	(292)	(316)



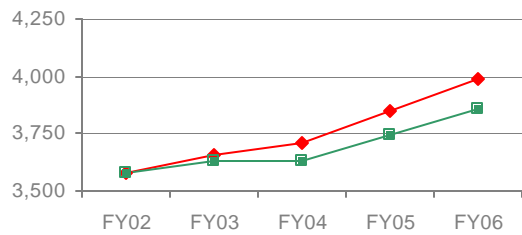
## Scenario B-1: Agency Reductions

Baseline Revenues	3,581	3,629	3,635	3,741	3,859
Expenditures (Structural Increase	3,581	3,831	3,883	4,033	4,175
Agency Reductions	0	(40)	(41)	(42)	(43)
Expenditure w/ Agency Reduction	3,581	3,791	3,842	3,991	4,132
Margin B-1	0	(162)	(207)	(250)	(273)



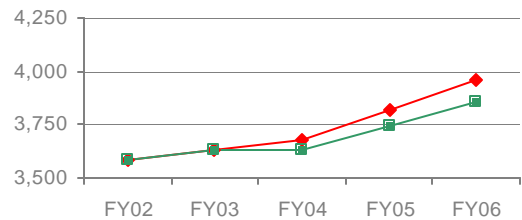
## Scenario B-2: Agency Structural Reductions

Baseline Revenues	3,581	3,629	3,635	3,741	3,859
Expenditures (Structural Increase	3,581	3,831	3,883	4,033	4,175
Agency Structural Reductions	0	(172)	(177)	(182)	(188)
Expenditures w/ Struct Reduction	3,581	3,659	3,706	3,851	3,987
Margin B-2	0	(30)	(71)	(110)	(128)



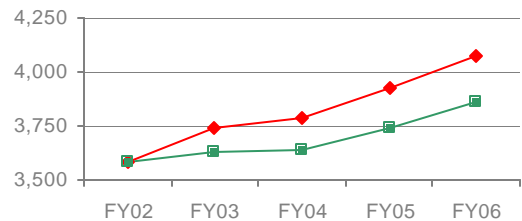
## Scenario B-3: Structural Reductions w/ half Tobacco F

Baseline Revenues	3,581	3,629	3,635	3,741	3,859
Expenditures (Structural Increase	3,581	3,831	3,883	4,033	4,175
Agency Structural Reductions	0	(172)	(177)	(182)	(188)
Tobacco Program Funds	0	(25)	(28)	(31)	(28)
Expenditures, Scenario B-3	3,581	3,634	3,678	3,820	3,959
Margin C	0	(5)	(43)	(79)	(100)



## Scenario C: Apply Tobacco Savings to Health Expense

Baseline Revenues	3,581	3,629	3,635	3,741	3,859
Expenditures (Structural Increase	3,581	3,831	3,883	4,033	4,175
Agency Reductions	0	(40)	(41)	(42)	(43)
Applying Tobacco Savings	0	(51)	(55)	(62)	(57)
Expenditures with Solutions	3,581	3,740	3,787	3,929	4,075
Margin C	0	(111)	(152)	(188)	(216)



# District of Columbia Financial Plan Scenarios

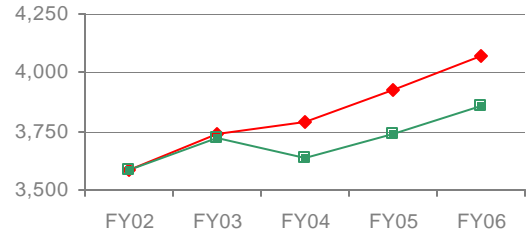
(Local Funds, \$ in Millions, Budgetary Basis)

Description FY02 FY03 FY04 FY05 FY06

Expenditures  
Revenues

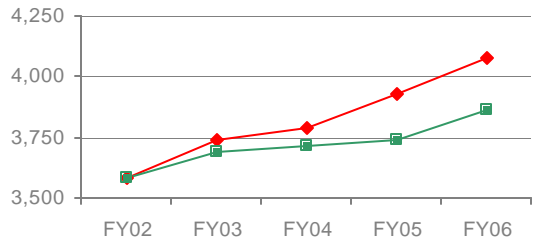
## Scenario D: Postpone Tax Parity Catch up in FY04\*

Baseline Revenues	3,581	3,629	3,635	3,741	3,859
Postpone Tax Parity to FY04	0	95	0	0	0
Revenues, Tax Parity Postponed	3,581	3,724	3,635	3,741	3,859
Expenditures (Structural Increase	3,581	3,831	3,883	4,033	4,175
Agency Reductions	0	(40)	(41)	(42)	(43)
Applying Tobacco Savings	0	(51)	(55)	(62)	(57)
Expenditures with Solutions	3,581	3,740	3,787	3,929	4,075
Margin D	0	(16)	(152)	(188)	(216)



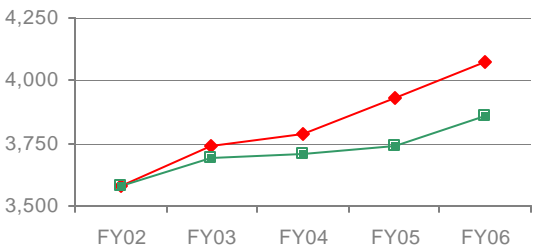
## Scenario E-1: Postpone Tax Parity Delay all cuts 1 year\*

Baseline Revenues	3,581	3,629	3,635	3,741	3,859
Postpone Tax Parity (all 1 yr.)	0	61	76	2	3
Revenues, Tax Parity Postponed	3,581	3,690	3,711	3,743	3,862
Expenditures (Structural Increase	3,581	3,831	3,883	4,033	4,175
Agency Reductions	0	(40)	(41)	(42)	(43)
Applying Tobacco Savings	0	(51)	(55)	(62)	(57)
Expenditures with Solutions	3,581	3,740	3,787	3,929	4,075
Margin E-1	0	(50)	(76)	(186)	(213)



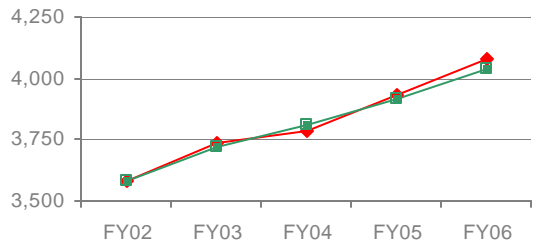
## Scenario E-2: Postpone Tax Parity Delay income cuts 1 yr \*

Baseline Revenues	3,581	3,629	3,635	3,741	3,859
Postpone Tax Parity (income 1 yr.)	0	43	64	2	2
Revenues, Tax Parity Postponed	3,581	3,672	3,699	3,743	3,861
Expenditures (Structural Increase	3,581	3,831	3,883	4,033	4,175
Agency Reductions	0	(40)	(41)	(42)	(43)
Applying Tobacco Savings	0	(51)	(55)	(62)	(57)
Expenditures with Solutions	3,581	3,740	3,787	3,929	4,075
Margin E-2	0	(68)	(88)	(186)	(214)



## Scenario F: Repeal Tax Parity

Baseline Revenues	3,581	3,629	3,635	3,741	3,859
Repeal Tax Parity	0	95	171	174	177
Revenues, Tax Parity Repealed	3,581	3,724	3,806	3,915	4,036
Expenditures (Structural Increase	3,581	3,831	3,883	4,033	4,175
Agency Reductions	0	(40)	(41)	(42)	(43)
Applying Tobacco Savings	0	(51)	(55)	(62)	(57)
Expenditures with Solutions	3,581	3,740	3,787	3,929	4,075
Margin F	0	(16)	19	(14)	(39)



\* FY02 income tax cuts and all FY03 cuts take effect in FY04, in addition to the planned FY04 cuts.

\*\* FY02 income tax cuts implemented in FY03, FY03 income & franchise tax cuts implemented in FY04, and FY04 income & franchise tax cuts in FY05.

\*\*\* FY02 income tax cuts implemented in FY03, FY03 income tax cuts in FY04, and FY04 income tax cuts in FY05. Franchise tax cuts implemented as scheduled.